

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
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**FISCAL IMPACT STATEMENT**

**LS 6260**

**BILL NUMBER:** SB 49

**DATE PREPARED:** Nov 13, 1998

**BILL AMENDED:**

**SUBJECT:** Motor vehicle impoundment.

**FISCAL ANALYST:** Mark Bucherl

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**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
**FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill allows a police agency to impound for 30 days the vehicle of a driver who is subject to arrest for: (1) operation of a motor vehicle or combination of vehicles when the driver's license is suspended; (2) operation of a motor vehicle or combination of vehicles when the driver's license has been revoked; (3) operation of a motor vehicle or combination of vehicles in violation of the terms and conditions specified in a restricted license or a probationary license; (4) operation of a motor vehicle or combination of vehicles when the driver does not hold a driver's license; (5) operation of a motor vehicle or combination of vehicles when financial responsibility is not in effect with respect to the vehicle; or (6) operation of a vehicle or combination of vehicles while intoxicated. It allows release of the vehicle to the owner before the end of the impoundment period if the vehicle has been stolen or leased to the driver or a third party. It also allows release of the vehicle before the end of the impoundment period after a hearing by the court.

This bill allows the vehicle to be declared abandoned if the vehicle is not retrieved at the end of the 30 day impoundment period. It allows a local governmental unit to provide by ordinance for a service fee for impoundment of the vehicle. It allows the driver of a vehicle with cargo to notify a person having a monetary interest in the cargo and allows the cargo to be released to that person or agent. It also makes conforming changes in definitions concerning vehicles.

**Effective Date:** July 1, 1999.

**Explanation of State Expenditures:** This bill would allow the State Police to have a vehicle impounded for the violations proposed. (Abandoned vehicles are usually impounded and stored with private salvage operators.) Minimal additional administrative cost would be incurred.

It is assumed that most vehicles impounded under this bill will be retrieved by their owners, who are liable for the costs of vehicle storage.

**Explanation of State Revenues:** Any vehicles not retrieved by their owners may be declared abandoned under the provisions of this bill. Abandoned vehicle sales revenue is transferred to the Bureau of Motor Vehicles Abandoned Vehicle Fund. Funds in excess of \$37,000 are then transferred to the Motor Vehicle Highway Fund at the end of the fiscal year. Proceeds from vehicle sales were about \$649,000 in FY 98.

This bill provides for a Class C infraction in the event that the motor vehicle operator does not notify by certified mail the owner of a vehicle impounded under this bill. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund could increase. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, county or municipal court (courts of record), 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

**Explanation of Local Expenditures:** Local law enforcement units may experience minimal administrative costs in processing vehicle impoundments. It is assumed that owners of vehicles impounded under this bill will retrieve their vehicles and pay the costs of storage. Private salvage operators ordinarily store abandoned vehicles.

Moving a vehicle impounded under this bill constitutes a Class B misdemeanor, punishable by up to 180 days in jail. If more defendants are detained in county jails due to misdemeanors or prior to their felony court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

**Explanation of Local Revenues:** Local units may charge a fee related to the expenditures involved in the impoundment vehicles under this bill. Local units are allowed under statute to sell abandoned vehicles as unclaimed property if they are not retrieved by owners. In practice, the Bureau of Motor Vehicles assumes the responsibility for sales. (Only the cities of Indianapolis, Evansville, Fort Wayne, New Albany and South Bend assume the responsibility and revenue for sales of abandoned vehicles.)

If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed, and if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed, and if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

**State Agencies Affected:** Bureau of Motor Vehicles; State Police.

**Local Agencies Affected:** Trial courts, local governmental units, local law enforcement agencies.

**Information Sources:** Indiana Sheriffs Association; Indiana Association of Cities and Towns; State Police; David Sutherland, Bureau of Motor Vehicles.